



**Comptroller General
of the United States**

42028

Washington, D.C. 20548

Decision

Matter of: Shasta Transfer & Storage

File: B-261172

Date: July 28, 1995

Dan Sloan for the protester.

Judy I. Garza, Department of Agriculture, for the agency.
John Van Schaik, Esq., and Michael R. Golden, Esq., Office
of the General Counsel, GAO, participated in the preparation
of the decision.

DIGEST

Protest that agency improperly failed to issue purchase order to protester for office moving services is denied where agency decided to reopen competition after protester and another firm had submitted quotations since agency became aware of increased requirements and of the possibility for increased competition.

DECISION

Shasta Transfer & Storage protests the failure of the Forest Service to award it a contract for office moving services for the Eagle Lake, California Ranger District Office.

We deny the protest.

In January 1995, the Forest Service orally requested Shasta and Canova Moving & Storage of Yuba City to provide quotations for the work. Canova submitted a quotation on January 31 after visiting the site. Shasta was unable to visit the site due to inclement weather and was told that the site visit could be rescheduled when the weather improved since the move would probably not occur until the end of March.

In February, although no quotation had been received from Shasta, after a request by the Eagle Lake Ranger District to proceed with the award, the contracting officer decided to award the contract to Canova based on the erroneous assumption that a deadline had been set for receipt of quotations. On February 22, a purchase order was issued to Canova.

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After contacting the agency and discovering that the procurement had gone forward, Shasta protested to the agency that it had not been given an opportunity to compete. Upon discovering that no deadline for quotations had been set, the contracting officer permitted Shasta to submit a quotation, which the firm did. Since Shasta's quotation of \$9,454 was lower than Canova's price of \$9,584, the contracting officer terminated Canova's contract and informed Canova that the contract would be awarded to Shasta.

Before a purchase order could be issued to Shasta, Canova threatened to protest and the contracting officer requested both firms to agree to recompeting the contract. Although they refused to do so, the contracting officer decided to recompet the contract giving both firms another opportunity to compete and adding work to the project that had not been identified when the procurement started. The contracting officer also decided to open the competition to additional firms.

When the competition was reopened, a request for quotations (RFQ) (No. RFQ-06-95-23) was issued which included an additional line item for moving furniture within the same facility. Three quotations were received: from Shasta at \$8,810, Canova at \$8,900, and a third firm, Lassen Transfer & Storage, at \$6,965. Award was made to Lassen, the low-priced firm.

Shasta argues that it should have been awarded the contract based on its first quotation rather than reopening the competition to permit a quotation from Lassen. According to the protester, the agency obtained sufficient competition when two valid quotations were received and the contracting officer should have issued a purchase order to Shasta at that time. Shasta also argues that the contracting officer was not free to reopen the competition allowing quotations from other than the two firms initially solicited. Finally, Shasta argues that the additional work was minimal since it only involved moving items within the old location and it provided no basis for reopening the competition.

A contracting agency need only establish a reasonable basis to support a decision to cancel an RFQ. Tony-Ingoglia Salami and Cheese, Inc., B-244452, Sept. 23, 1991, 91-2 CPD ¶ 268. We think the agency's actions here were reasonable. Particularly in the context of this procurement, where the agency had not issued a written solicitation, but had orally solicited quotations from a limited number of firms, we think that the decision to reopen the competition was justified by the change in the agency's requirements and the possibility for expanded competition. See Capitol Gateway Assocs. Ltd. Partnership, B-255587, Jan. 24, 1994, 94-1 CPD

¶ 37. As explained, as a result of the decision to solicit additional firms, competition was enhanced and, in spite of the additional work, the purchase order was issued at a significantly lower price than had been submitted by Shasta and Canova.¹

The protest is denied.

/s/ Christine S. Melody
for Robert P. Murphy
General Counsel

¹Although Shasta argues that the new work was minimal since it only involved moving furniture within the same location, the record shows that the prices of two of the three offerors for the additional work were 12 and 14 percent of their total prices; in our view this indicates that the additional work was significant.